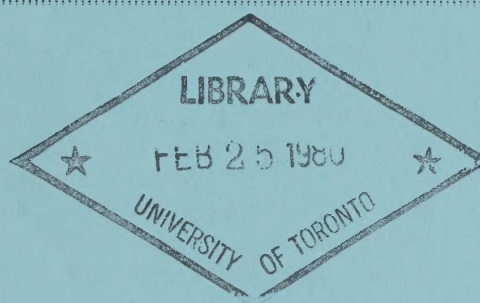


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LOCAL GOVERNMENT *Dist*

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BULLETIN 37

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**MUNICIPAL REAL ESTATE
- INVENTORY**



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Ontario Ministry of Intergovernmental Affairs

Hon. Thomas L. Wells
Minister

D.W. Stevenson
Deputy Minister

Local Government Division
Municipal Administration Branch

January 1980

To the Municipal Clerk:

Please circulate this bulletin or make copies for distribution to councillors or staff of your municipality who may be interested in the subject. Additional copies are available at a dollar each from the Publications Centre (see page 10).


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INTRODUCTION

Municipalities are continually seeking ways to manage their resources better, for many reasons, including efforts to keep tax increases at a minimum and to ensure better utilization of these resources.

One area that, in the past, has largely been overlooked is real-property management. Acquisition of real property represents considerable expenditure, and councils and staff are beginning to look to long-range planning to use municipal property more efficiently and to reduce the cost of acquisition. Also being considered are methods to generate revenues through the short-term leasing of property not immediately required.

The first step in managing real property is to identify and catalogue the existing pieces held by the municipality.

This bulletin will deal with this initial step of creating and maintaining a real-property inventory. This inventory is very basic and provides a starting point for smaller municipalities to build upon.

REAL-PROPERTY INVENTORY

General

Land is acquired by a municipality in a number of ways, including purchases, tax arrears, gifts and subdivision dedications. A municipality also acquires an interest in land in the form of easements, which should be catalogued along with its actual land holdings.

In order to keep this tax burden at a minimum, many municipalities are developing land-management programs that include actively trying to lease lands not required for immediate use.

Managing land also means ensuring that the municipality's lands are not used by unauthorized persons. If a municipality does not check occasionally someone may place a hazard such as garbage on the lands, or even remove some of the land in the form of top soil, thereby reducing its value. It may be possible for a person to fence municipal land, other than road allowances, and after ten years acquire 'adverse possession' of the land. This possible situation could be prevented by annual inspections. If such an encroachment on municipal lands were found the municipality could take the necessary steps to regain its interest.

Where vacant municipal land or lands with buildings are leased, an annual inspection program is necessary to ensure that the property is being used in accordance with the terms of the lease.

Risk management (insurance) is becoming a significant budget item. It may be that an active land-management program can reduce risks and lower premiums.

Before a council can embark on a land-management program or make informed decisions regarding acquisition or disposal of land or easements, it must know its existing holdings. This can be achieved very inexpensively through the establishment of a land-inventory system.

A land-inventory system consists of three basic items:

1. Map(s) showing the location of the properties in relation to surrounding properties and streets.
2. A card file with a card for each property and easement.
3. Correspondence and document file.

Initial Survey

To ensure success and accountability, responsibility for the development and maintenance of the system should be assigned to one individual. In the smaller municipalities this will take a small portion of an individual's time. Even so, the importance of having one person responsible should not be overlooked.

Many municipalities select a person from the clerk's or treasurer's department rather than a department that is responsible for some of the municipalities' holdings. The reason for this is to ensure that the system is uniform throughout all departments involved with municipal land.

The first step the property officer must undertake is to determine the existing holdings of the municipality. This will involve searching the files of each department for deeds, easements and leases and checking any maps available that may show lands held for which deeds have not been located. It may help also to interview various members of staff and review the records of council proceedings for property acquisitions. A review of the plans of subdivision and assessment rolls will also be required.

Many municipalities do not have a staff solicitor and make use of the services of a private solicitor when land transactions are involved. In some cases, several different solicitors have been retained from time to time. In many cases, the actual documents and correspondence have been retained in the solicitor's files. Where this situation exists, it will be necessary for the property officer to contact these solicitors to obtain the material for the inventory.

In some cases, the name of the solicitor used in past years may not be known to the staff

and the records they hold can only be obtained when the information comes to light. This usually occurs when the solicitor for a purchaser inspects the records of the registry office and finds that the municipality has some interest in the land and contacts the staff of the municipality. In turn, the staff will usually find the name of the solicitor who acted for the municipality on a copy of the deed in the registry office, after which they are able to contact the solicitor and ask for the return of the documents and correspondence.

Card File

At the end of this bulletin is an example of the information retained in a land-inventory system. This information is usually set out on filing cards and represents the backbone of the system. As a municipality's needs increase, the information on these cards can be transferred to some other media such as microfilm or computer system.

One card is prepared for each parcel of land or easement. The purpose of the inventory is to provide ready access to individual property information as well as to provide a total picture of property holdings. The property officer should determine the nature of the majority of requests for property information and file the cards accordingly. This may be by lot and plan/concession, or by use, such as parks, roads or utility yards. In most cases, questions are asked as to what holdings the municipality has in a specific area. As a result, most property officers file the cards by lot and concession and use different coloured cards to indicate types of uses or zoning. If the situation warrants and time permits, the property officer may establish duplicate card files, one organized to indicate use, the other zoning. He may also separate easements from the deeds of land in order to provide quicker access to either category.

Whatever methods are used, the inventory should start off simply and grow as need determines.

Maps

While the filing cards will represent the major element of the inventory system, it is valuable to supplement the filing cards with a map or maps of the municipality showing the location of each parcel of land and easement held by the municipality. These maps can be colour coded to differentiate between land owned by the municipality, easement agreements, between vacant and occupied land, and between types of use, such as parks, road allowances, work depots and so on.

Councils will find these maps of great assistance in discussing staff reports -- a picture is worth a thousand words.

Property Files

During the initial search to find out what the municipality's holdings are, the property officer will come across an abundance of documents and correspondence relating to properties. This material, or copies of it, should be gathered into one location, filed, and maintained under his control. These files should contain only copies of deeds and easements, as the originals should be registered on title. The sample card has a space on which to enter a by-law number and data regarding council's approval of the acquisition of the property.

Upkeep

If the system is to be useful, it must be reliable. Care in both determining the holdings as well as updating the system is essential. The property officer should review the council minutes after each meeting to ensure his records reflect the latest property-related actions by council. Ideally, of course, he should be consulted before such decisions are made.

SUMMARY

The inventory described here is a very basic method of keeping track of assets as a preliminary step to better managing them. Each municipality has its variations in organization. The selection of the individual responsible for the system and the type of information retained should be discussed thoroughly by the senior staff members of the municipality before any forms are developed.

If all local public utilities and other special-purpose agencies also used such a system, it would be a simple matter for each agency to check with the others or circulate lists before purchasing property that may be surplus elsewhere. By keeping it "in the family" and better utilizing resources, a more professional image may be projected to the public as well as ensuring a better use of limited tax revenues.

SAMPLE INVENTORY CARD

TOWN OF <u>EDGWARE</u>			
REAL PROPERTY INVENTORY			
DESCRIPTION: <i>PT. LT. 6 CONC. 2 EHS 2.4 AC</i> <i>Instrument # 785790 VS</i>			
ROLL NUMBER <i>07-05561-22</i>	LAND <input checked="" type="checkbox"/> EASEMENT <input type="checkbox"/>	PURCHASE PRICE <i>40,000</i>	ASSESSED VALUE <i>22,500</i> DATE: _____
ZONING: <i>Park</i>		OFFICIAL PLAN: <i>Recreational</i>	
PURPOSE OF ACQUISITION: <i>Extension to Ashcroft Park</i>			
COUNCIL APPROVAL: <i>By-law 1627 May 12, 1973</i>			
DATE OF PURCHASE: <i>June 15, 1973</i>			
BUILDINGS: YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>			
LEASED: YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>			
LESSEE - EXPIRY DATE			

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